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Croatia

Product Brief

Pet Food Market Update

2005

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Report Highlights:

Croatia's population is aging, and the standard of living is slowly rising. As a result, pets are becoming more popular. Croatia does not have a domestic pet food manufacturing industry and imports all of its consumption. In 2003, imports totaled \$21.2 million and are on the rise. While direct exports from the United States account for only a small portion of the pet food market (2.8 % in 2003), U.S. exporters are advised to keep a keen eye on Croatia's economic growth as an indicator of potential sales for U.S. pet food products. One good prospect for U.S. dog and cat food exporters is the niche market for premium pet foods.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Vienna [AU1]
[HR]

Market Overview

The Croatian population is aging and their standard of living is slowly rising. As a result, pets are becoming more popular and pet care is improving, which is evidenced by a steady rise of pet food imports. Domestic consumption of cat and dog food is roughly equal to cat and dog food imports because Croatia does not have a domestic pet food industry and re-exports are negligible. Since 1998 to 2003, pet food imports grew by almost 100 percent from \$ 10,728 million to \$ 21,253 million (see below trade data).

Croatia's pet food market is still developing and will grow as household incomes increase. Household incomes are already showing growth and rose by 6 percent from 2001 to 2003, with further growth expected. Moreover, Croatia became a European Union (EU) member candidate country in 2004 and is expected to start negotiating with the EU in 2005. U.S. exporters are advised to keep a keen eye on Croatia's economic growth as an indicator of potential sales for U.S. pet food products.

One good prospect for U.S. dog and cat food exporters is the niche market for upper premium pet foods. At present, U.S. direct exports of dog and cat food are low, and there is unfilled potential for U.S. based companies to serve this \$ 21 million market that is steadily growing at an average 26 percent (based on three year average 2000 to 2003).

While direct exports from the United States only account for a small portion of the market (2.8 % in 2003), it is possible to find several U.S. brands on the market that are manufactured in Europe. Some common brands include: Whiskas, Pedigree Pal, Friskies, Kitekat, Sheba, FelinaY, Dog Chow, Eukanuba, Chappi, Cesar, Hill, IAMS.

Pet Foods (Dog & Cat Food) - 580

Reporting Country: Croatia Top 10 Ranking	Import					
	1998	1999	2000	2001	2002	2003
	1000\$	1000\$	1000\$	1000\$	1000\$	1000\$
Hungary	1,832	1,668	2,176	5,101	6,401	7,381
Austria	4,313	3,564	2,934	3,752	4,998	5,343
Italy	1,706	1,856	1,706	685	1,819	3,050
Netherlands	295	560	907	253	1,028	1,314
Poland	0	226	400	846	1,032	1,071
Germany	921	864	901	255	414	676
France	137	340	473	74	586	638
United States	577	618	96	1,170	518	591
Czech Republic	21	5	6	332	302	314
Denmark	10	82	132	104	98	252
Other	916	939	884	646	439	622
World	10,728	10,721	10,617	13,219	17,638	21,253

NA - Data not available (not reported) Data: Harmonized Tariff Schedule (HS 6 Digit)

Source: FAS' Global Agricultural Trade System using data from the United Nations Statistical Office

Cost and Prices

Tariffs 2005:

The United States is at a slight tariff disadvantage as compared to other major suppliers of this market. Tariff rates are as follows:

2309 10 dog and cat food pck. for single use:

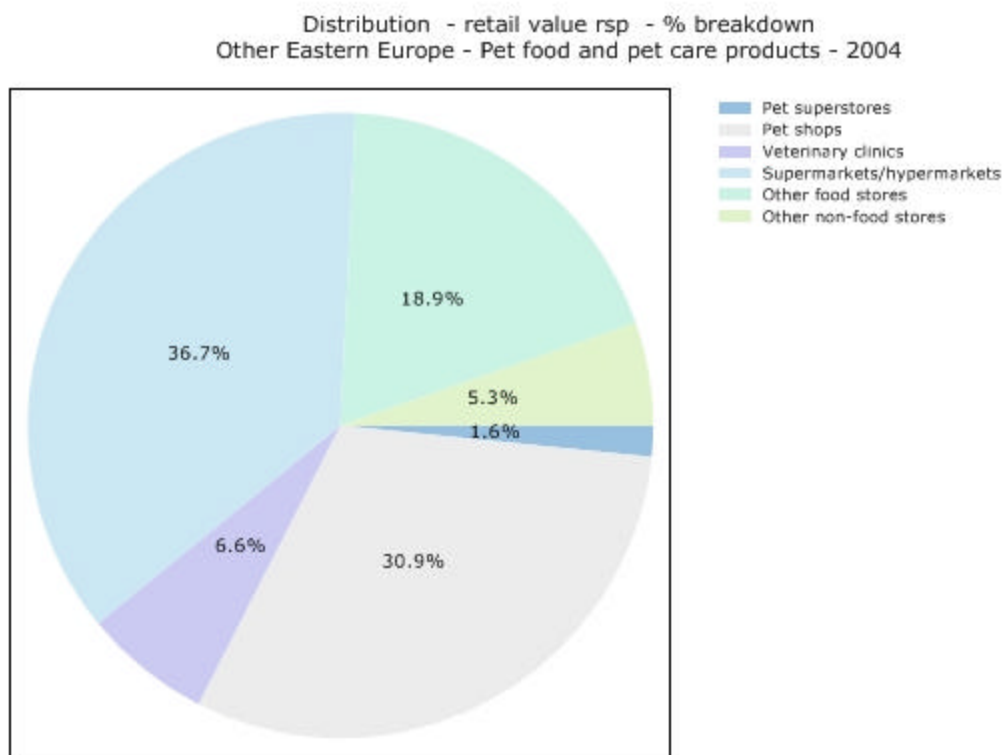
MFN 5%

EU, Bosnia and Herzegovina, Macedonia, Bulgaria, Serbia and Monte Negro - free

(Note: Check the latest applied custom rates on the following web page:
<http://www.carina.hr>)

Distribution and VAT

The majority of pet food is distributed through supermarkets and some specialty pet food shops as is the case in all Eastern Europe countries (see chart below). The value added tax (VAT) on all products is 22% at present.



Retail Prices

Whiskas pate: 100gr. = Kn 4.00

Whiskas can: 195gr. = Kn 5.00

400gr. = Kn 8.00

Whiskas dry food: 300gr. = Kn 9.00 – Kn 11.00

Friskies can: 100gr. = Kn 4.00

400gr. = Kn 7.50

Friskies dry food: 400gr. = Kn 11

Eukanuba adult: 15 Kg = Kn 366.00

7.5 Kg = Kn 180.00

Pro Plan adult: 15 kg = Kn 330.00

17 kg = Kn 375.00

Hill's adult: 15kg = Kn 400.00

7.5 Kg = Kn 240.00

exchange rate: \$ 1 : Kn 5.734058 (1/20/2005)

Note: This is just for orientation.

Market Access**Import requirements**

U.S. exporters must have a valid animal health certificate that states that in the country of origin there is a ban on the feeding of processed animal proteins to farmed animals that are kept, fattened, or bred for the production of food. It is also advisable to provide a non-GMO (genetically modified organism) certificate from an independent U.S. government laboratory (Note: there are still no approved biotech products for the Croatian market).

According to the general guidelines of the Croatian Food Law, information on the label should be in Croatian language, Latin letters, easy to spot, readable, and understandable. Basic information on the label should be:

- Product market name
- List of ingredients
- Amount of specific ingredients or category of ingredients
- Net product weight
- Expiration date
- Instructions on storage (required if they effect product shelf-life)
- Name of the manufacturer, country of origin, and importing company
- Details on the country of origin if the country of origin identification could be confusing or misleading
- Instructions on use (if needed for correct usage)

Key Contacts and Further Information

A list of Croatian pet food importers is available to U.S. pet food exporters and information on pet food fairs or pet shows are available and can be obtained by contacting:

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